

IOWA COLLEGE STUDENT AID COMMISSION

Minutes of Meeting November 16, 2018

Members Present:

Manny Atwood	Cecil Dolecheck
Tim Fitzgibbon	Katie Mulholland
Mark Putnam	Doug Shull
Barbara Sloniker	Emily Stork
Jeremy Varner	Cindy Winckler

Members Absent:

Michael Ash	Cassandra Bond
Jeff Edler	Rachael Johnson
Herman Quirmbach	

Staff Present:

Todd Brown	Jennifer Christensen
Elizabeth Keest-Sedrel	Karen Misjak
Julie Ntem	Christina Sibaouih
Carolyn Small	Mark Wiederspan

Guests Present:

Gary Adams	Iowa Student Loan
Janet Adams	General Public
Dr. Ralitsa Akins	Des Moines University
Angie Carlson	Capri College
David Epley	House Democratic Staff
Allen Goody	Bankers Trust Capital Management
Sue Huppert	Des Moines University
Lois Leyte	Capri College
Larry Lutz	Strada Education Network
Robin Madison	Legislative Services Agency
Christopher Meyer	Strada Education Network
Melissa Stover	Bankers Trust

Call to Order

The Iowa College Student Aid Commission met for a regularly scheduled meeting on November 16, 2018 at Des Moines University in Des Moines, Iowa. Commission Chair Mulholland called the meeting to order at 10:02 a.m.

Provost's Welcome

Dr. Ralitsa Akins, Provost at Des Moines University, welcomed the Commission to campus.

Executive Director's Report

Ms. Misjak said the Course to College Program's FAFSA Completion Initiative kicked off October 1 with the opening of the 2019-20 FAFSA cycle. Events are scheduled across Iowa. The Commission signed data sharing agreements with each Iowa Area Education Agency, allowing AEAs to report student-level FAFSA completion data to all schools in their region. Counselors use the data to help individual students complete the FAFSA. Misjak shared Iowa is the only state automating student-level data to every school.

Ms. Misjak advised the College Application Campaign, a second initiative in the Course to College Program, is also underway. This initiative provides resources in the schools to help students apply for college. Ms. Misjak said 55 school events have been held to date with more than 1,100 college applications submitted by participating students.

Ms. Misjak said October 1 marked the launch of the first course offered by the Iowa College & Career Readiness Academy. She stated the Iowa Department of Education has reviewed the program and endorsed the initiative. The Des Moines Public School District has requested a special session of the program for their staff to ensure personnel is trained on college and career readiness.

Ms. Misjak said grant proposals for this year's Local College Access Network grants are being accepted. Staff have reached out to Future Ready Iowa Summit communities to highlight and promote Iowa College Aid's collective impact work.

Ms. Misjak reminded Commissioners of recent Future Ready Iowa Summits held across the state. Staff attended or presented at several events. She said staff are reviewing the Future Ready Iowa Act and are drafting administrative rule language around the Last Dollar Scholarship. Staff are also working with Volunteer Iowa to develop an implementation plan for the mentorship requirement through AmeriCorps members. Ms. Misjak noted Iowa College Aid materials were included in Future Ready Iowa Summit Playbooks. The Commission is positioned to support Future Ready Iowa in several ways.

Ms. Misjak said she and Commissioner Mulholland reported the proposed budget for FY2020 to the Governor on November 13. The major change was the reallocation of funds from the Iowa Teacher Shortage Loan Forgiveness Program to the general administration line. Ms. Misjak said one-time costs for implementation of the Future Ready Iowa program have also been added to the budget.

Commissioner Mulholland said the proposed budget request was framed as supported by the entire Commission. She added 99% of the Commission's requisition fulfills the Commission's objective of serving Iowa students.

Ms. Misjak shared a picture of the signage added to the front of the new office building.

Minutes of Meeting

Motion: Commissioner Shull moved to approve the meeting minutes for the September 21, 2018 Commission Meeting. Commissioner Varner seconded the motion, which passed unanimously.

Administrative Rules

Mr. Brown recommended board action to adopt amendments to Chapter 8 "All Iowa Opportunity Scholarship", Chapter 20 "Iowa National Guard Educational Assistance Program" and Chapter 25 "Rural Iowa Advanced Registered Nurse Practitioner and Physician Assistant Loan Repayment Program" as well as the new Chapter 26 "Health Care Loan Repayment Program". All four rules implement statutory changes made during the 2018 legislative session. These items were reviewed and approved during the July 2018 Commission meeting and have now gone through a public comment period and reviewed by the Administrative Rules Review Committee. Mr. Brown said there were no public comments submitted nor any concerns expressed by the Administrative Rules Review Committee. As a result, no changes have been made to the language since they were presented to the Commission in July. These rules are being presented to the Commission as adopted rules.

Motion: Commissioner Putnam moved to adopt the following Administrative Rules: Amendments to Chapter 8 – "All Iowa Opportunity Scholarship", Amendments to Chapter 20 – "Iowa National Guard Educational Assistance Program", Amendments to Chapter 25 – "Rural Iowa Advanced Registered Nurse Practitioner and Physician Assistant Loan Repayment Program", New Chapter 26 – "Health Care Loan Repayment Program". Commissioner Sloniker seconded the motion, which passed unanimously.

Print Contract Renewal

Ms. Sedrel said ColorFX / Mittera Group handle print and storage of the Commission's publications. Staff are happy with recent improvements in ordering and inventory tracking. This extension request is the last of the available extensions for this contract.

Motion: Commissioner Shull moved to authorize the Executive Director to exercise the option for a one-year extension, not to exceed \$200,000 annually, of the Printing, Storage and Distribution Services master contract with ColorFX / Mittera Group. Commissioner Putnam seconded the motion, which passed unanimously.

Strada Education Network Presentation

Ms. Misjak introduced Larry Lutz, the Executive Vice President of Corporate Development from Strada Education Network and President of Education at Work. Mr. Lutz presented how the Strada Education Network transformed from the largest FFELP guaranty agency in the nation to a philanthropic organization whose activities serve to develop pathways between education and employment.

In response to a request for best practices from Commissioner Fitzgibbon, Mr. Lutz suggested foundationally creating capacity while working with individuals one-on-one.

Commissioner Mulholland noted the visuals were appreciated, in particular the use of circles rather than lines as education is no longer linear and there are many opportunities for success.

In response to a question from Commissioner Winckler, Mr. Lutz said Strada Education Network realizes there are many opportunities to align resources. He said it is important to begin career exploration in late elementary school or early middle school so that students can begin to focus on future careers.

Commissioner Putnam offered many students do not have the brain development in middle school to think in complex ways and understand future paths. He continued his statement is not a criticism of programs, more that the challenge is to determine what is missing and approach from there.

Commissioner Winckler said the greatest indicator of success is for the individual to believe that they can succeed.

Bankers Trust Capital Management Presentation

Ms. Misjak introduced Melissa Stover from Bankers Trust to provide the annual overview of investments in the Trust. Ms. Stover introduced Alan Goody, the managing director for Bankers Trust Capital Management who manages the GEAR UP Trust. Mr. Goody provided an update on Trust financials.

In response to a question from Commissioner Putnam, Mr. Goody stated BTCM would work with the Commission should liquidity needs that exceed the cash balance arise. Mr. Goody added all parties are comfortable with the current allocation given the time horizon of the program.

In response to a question from Commissioner Fitzgibbon, Mr. Goody advised the taxable bonds included in the portfolio are corporate bonds, rather than municipal bonds. He added the bonds are taxable but the program does not pay tax on the bonds.

Ms. Misjak advised there are three more years for funds to be deposited into the Trust. The deposit typically occurs in April or May of each year.

Audit and Finance Committee

Commissioner Fitzgibbon reported there is no action item from the Committee. He provided a report on the Audit and Finance Committee Meeting held November 1. Commissioner Fitzgibbon said a draft amendment to the collections agreement with the Iowa Department of Revenue was reviewed. This amendment would allow collection on state forgivable loans.

Ms. Misjak elaborated staff reached out to Iowa Department of Revenue to take on the forgivable loans collection rather than incurring the expense to be PCI Compliant. She is working with Emily Willits from the Attorney General's office to ensure the addendum is suitable for the Commission and the fees assessed are appropriate.

Legislative Committee

Mr. Brown reported on recent election outcomes and congratulated re-elected legislators on the Commission.

Mr. Brown reported staff is working to get the two agency bill proposals approved by the Governor's Office. If approved by the Governor's office, staff will need to send the bill language and a memorandum to Legislative Services Agency by November 28.

Mr. Brown reported he was present at the budget presentation mentioned earlier by Ms. Misjak. He stated Ms. Misjak and Commissioner Mulholland answered questions and represented the Commission well.

Board Structure Subcommittee

Commissioner Mulholland said the committee met via conference call on November 8. She thanked staff for the initial draft of the Strategic Plan and for using the NCHEMS report to inform the proposal. Commissioner Mulholland said the strategic plan draft develops a brand that positions the Commission as a leader and resource in the state for building on existing educational programs. The draft plan recommends no changes to the Commission's name, mission, vision, motto or values.

Commissioner Mulholland explained some of the recommendations from the NCHEMS report have been achieved, specifically the strengthening of the research department and the restructure of Commission membership to represent support of Iowa's students.

Staff Report

Ms. Small provided a report on Postsecondary Registration Approvals, Exemption and SARA Approvals, Exemption Approvals and provided a list of Exemption Applications currently under review. She highlighted the approval of Art of Education University as a new institution. This is noteworthy as laws in Iowa make it difficult to start new institutions.

Ms. Small updated the Commission on the status of a group of schools that currently are not in compliance with Iowa laws and rules. Ms. Small advised that letters were sent to these schools and the next step is to bring a recommendation to the Commission for "Show Cause" order.

Responding to a question from Commissioner Varner, Ms. Small advised the deadline for substantive response is 90 days from the date of the letter. Ms. Small said each notice was sent certified and staff is tracking responses. She explained staff work with schools who make good-faith efforts in order to help them comply.

Commissioner Fitzgibbon asked if there were common reasons for noncompliance. Ms. Small answered Iowa law requires all schools wishing to operate in Iowa under a registration exemption, to apply for the exemption, show they qualify for the exemption, and demonstrate compliance with student protection policies and procedures required of Iowa's traditional colleges and universities. While the bond requirement may be a financial challenge for some institutions, the annual premium on the bond is small. The bond is an expectation of law and there are no exceptions.

Ms. Small shared Iowa Wesleyan announced financial difficulties at the beginning of the month and have since announced their intent to continue operating until spring. Iowa Wesleyan did reach out to staff for best practices in school closing situations. Staff are willing to speak with concerned parents and students.

Ms. Misjak reported year-to-date financials were discussed during the Audit and Finance Committee report. She added the Accountant 3 position has not been filled. It has been reposted and another set of interviews will be forthcoming.

Commissioner Comments

Commissioner Atwood expressed appreciation for the FAFSA Initiative reports.

Commissioner Putnam moved to adjourn the meeting. Commissioner Fitzgibbon seconded the motion, which passed unanimously. The meeting adjourned at 12:01 p.m.



Katie Mulholland, Chair



Doug Shull, Vice Chair